

VZCZCXYZ0001  
RR RUEHWEB

DE RUEHLP #0855 0881649  
ZNR UUUUU ZZH  
R 291649Z MAR 07  
FM AMEMBASSY LA PAZ  
TO RUEHC/SECSTATE WASHDC 2988  
INFO RUEHAC/AMEMBASSY ASUNCION 6665  
RUEHBO/AMEMBASSY BOGOTA 3988  
RUEHBR/AMEMBASSY BRASILIA 7875  
RUEHBU/AMEMBASSY BUENOS AIRES 5129  
RUEHCV/AMEMBASSY CARACAS 2353  
RUEHPE/AMEMBASSY LIMA 2468  
RUEHMD/AMEMBASSY MADRID 3396  
RUEHMN/AMEMBASSY MONTEVIDEO 4509  
RUEHZP/AMEMBASSY PANAMA 0255  
RUEHQT/AMEMBASSY QUITO 4998  
RUEHSG/AMEMBASSY SANTIAGO 9579  
RUEHUB/USINT HAVANA 0236  
RHMFIUU/HQ USSOUTHCOM MIAMI FL  
RUMIAAA/USCINCSO MIAMI FL  
RUCPDO/DEPT OF COMMERCE WASHINGTON DC  
RULSDMK/DEPT OF TRANSPORTATION WASHINGTON DC  
RUEANHA/FAA NATIONAL HQ WASHINGTON DC  
RHEHNSC/NSC WASHINGTON DC

UNCLAS LA PAZ 000855

SIPDIS

SENSITIVE  
SIPDIS

STATE FOR EB/TRA/OTP, EB/TRA/AN, WHA/AND LPETRONI  
STATE PASS TO DOT FOR CCOLDREN AND BHEDBERG  
STATE PASS TO FAA FOR CCAPESTANY AND KBERQUIST  
COMMERCE FOR JANGLIN

E.O. 12958: N/A  
TAGS: [EAIR](#) [ECON](#) [PGOV](#) [BL](#)  
SUBJECT: AIRLINE EXECUTIVES DETAINED, MADRID FEVER RISES

REF: LA PAZ 850

¶1. (U) Bolivian authorities detained three Lloyd Aereo Boliviano executives March 28 on charges of fraud. Passengers have accused the carrier of collecting an estimated \$2.4 million in ticket sales for flights it never intended to operate; according to the Santa Cruz district attorney, the money has disappeared.

¶2. (U) An estimated 500 passengers remain camped out in Santa Cruz' international airport, angrily demanding refunds after having abandoned hope of traveling to Spain before the April 1 imposition of new EU/Shengen visa requirements (reftel). With just two days of visa-free travel remaining, many Bolivians continue to hope for a last-minute miracle or, failing that, to reach Spain via Brazil, Argentina, or Venezuela. Demand for alternative routes has reportedly driven up ticket prices, with tickets via Brazil and Argentina selling for \$2,000, up from approximately \$1,400 normally.

¶3. (U) Bolivian Defense Minister Walker San Miguel, meanwhile, defended the GOB's March 26 decision to use Bolivian Air Force-operated Transporte Aereo Militar (TAM) aircraft to transport would-be Bolivian immigrants to Sao Paulo to catch connecting flights to Europe. The minister highlighted TAM's successful completion of its first international flight, accused domestic airlines of seeking a "monopoly" over air travel, and said that while everyone considered the TAM flight "something bad, in reality it was providing a service" to Bolivians desperate to reach Spain. According to press reports, TAM is not backing down; instead, it is offering \$390 tickets for a March 30 flight to Sao Paulo, just in time to get to the EU before the April 1 deadline.

13. (SBU) Comment: As the sense of urgency intensifies, the  
GOB is stepping up its assistance, facilitating rather than  
trying to prevent the travel of thousands of illegal  
immigrants -- a spectacle that may only worsen as the April 1  
cut-off approaches. End comment.  
GOLDBERG